

# Utah adopts new federal Minimum Wage Law

It has been ten years since an increase in the federal and Utah minimum wage rates, with both rates during that time at \$5.15 an hour. Because of new federal legislation, the federal minimum wage rate has increased and will be carried out in three increments, starting July 24, 2007, with a 70 cent hike to \$5.85 an hour.

Utah statute requires the Utah Labor Commission to review the state minimum wage law whenever a change occurs in the federal minimum wage law. Because of this mandate and the new federal minimum wage law, the Commission promulgated changes to the Utah minimum wage rules through the state administrative rule-making process. These rule changes, mirroring those of the federal government, become final and effective September 8, 2007. The minimum wage rate changes are summarized in the chart below:

<b>MINIMUM WAGE RATE INCREASES</b>			
<b>FEDERAL</b>		<b>UTAH</b>	
<b>Rate</b>	<b>Effective Date</b>	<b>Rate</b>	<b>Effective Date</b>
<b>\$5.85 / Hour</b>	<b>July 24, 2007</b>	<b>\$5.85 / Hour</b>	<b>Sept. 8, 2007</b>
<b>\$6.55 / Hour</b>	<b>July 24, 2008</b>	<b>\$6.55 / Hour</b>	<b>July 24, 2008</b>
<b>\$7.25 / Hour</b>	<b>July 24, 2009</b>	<b>\$7.25 / Hour</b>	<b>July 24, 2009</b>

The new federal and Utah minimum wage laws leave unaffected the cash wage obligation of \$2.13 an hour that is owed to tipped employees and the training wage rate of \$4.25 an hour for minor employees during their first 90 days of employment with a single employer. A “tipped employee” is one who customarily and regularly receives tips, who is not a chef, janitor or dishwasher, and who receives at least \$30.00 a month in tips. The new Utah minimum wage rates will apply to a tipped employee’s wages where the employer is permitted to credit the employee’s tips toward the effective minimum wage rate after paying the employee the cash wage obligation of \$2.13 an hour. If the cash wage obligation plus tips falls short of the minimum wage level over a pay period, the employer must pay the difference. Employers may choose to pay more than \$4.25 an hour to minor employees during their first 90 days of employment, but after the 90 days, minor employees are entitled to be paid wages at the new minimum wage rates.

